

(c) Details of collections made in Maharashtra cannot be given for the reasons given in part (a) above. Government is not aware of the incomes likely to arise to the Income tax professionals for helping assessee under the VDIS.

#### **Lalmaria Coal Mines**

539. SHRI JAGDAMBI PRASAD YADAV : Will the Minister of COAL be pleased to state:

(a) whether the Government had earlier proposed to set up a separate coal company by amalgamating the Lalmaria Coal Mines and its adjoining coal mines but later abandoned it on some extraneous conditions;

(b) if so, the details thereof alongwith the reasons therefor; and

(c) the steps taken by the Governments to set up a separate company for the development of the aforesaid coalfield area?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) to (c) The Rajmahal Project of Eastern Coalfields Limited (ECL) is situated at Lalmatia. A proposal for a new company with Rajmahal Coalfield and Deogarh Coalfield of ECL was placed before the 124th meeting of the Board of Directors of Coal India Limited held on 29.8.1992. The Board did not agree for creating a separate company because of low volume of output. However, it was suggested that Rajmahal may be put under the control of Director-in-Charge with the powers of Chairman-cum-Managing Director who could take steps for the fast development of these coalfields. The Government has a proposal for creation of a post of Director for Rajmahal group of mines.

[Translation]

#### **Smuggling of Opium, Ganja Etc.**

540. SHRI DADA BABURAO PARANJPE : Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware of the large scale smuggling of opium, ganja and silver which is going on in Jabalpur, Madhya Pradesh in connivance with local police officials; and

(b) if so, the measures taken so far by the Union Government to check it?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) and (b) The information is being collected and will be laid on the Table of the House.

#### **Growth Rate**

541. SHRI PANKAJ CHOWDHARY : Will the Minister of FINANCE be pleased to state:

(a) whether there has been decline in the country's economy during the last few years;

(b) if so, the reasons therefor;

(c) whether the Government propose to take immediate action to bring about improvement in the economy; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) to (d) As per estimates released by the Central Statistical Organisation (CSO), total GDP growth at factor cost during 1996-97 was 6.8 per cent. With this, the Eighth Five Year plan (1992-1997) ended with an average annual growth rate of 6.5 per cent compared with 6.0 per cent during the Seventh Five Year Plan.

The government announced a number of economic reforms measures in the Budget 1997-98 to boost industrial and overall growth. These include reduction of income tax and corporate tax rates, rationalisation of excise and custom duties, removal of restrictions in agriculture, industry, trade, giving functional autonomy to PSUs, etc.

#### **Economic Reforms**

542. SHRI D.P. YADAV : Will the Minister of FINANCE be pleased to state:

(a) whether the interference of International monetary Fund and World Bank in Indian Economy is constantly increasing since the implementation of economic reforms;

(b) if so, the reaction of the Government thereto;

(c) whether the poverty will be eliminated as a result of eight per cent growth rate of the country;

(d) if so, whether the foreign exchange reserve of India has increased due to economic reform but the balance of payment is not satisfactory; and

(e) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) and (b) There is no interference of International Monetary Fund (IMF) and World Bank (WB) in the implementation of economic reforms.

(c) A durable solution for elimination of poverty is to bring about sustained growth in incomes and productive employment. This is the basic objective of economic reforms. Two main factors on which poverty reduction ultimately depends are (i) growth rate of population and (ii) growth rate of Gross Domestic Product (GDP). If the economy grows at eight per cent per annum on an average for next 10-15 years, it is possible that with appropriate policies, poverty can be eliminated within one generation.

(d) and (e) The economic stabilisation measures undertaken by the Government since 1991 have produced

favourable micro-economic outcomes, including immediate restoration of balance of payments stability. Indian foreign currency assets (Excluding gold and SDR) has improved continuously from a mere US \$ 1 billion in July, 1991 to US \$ 26.2 billion at the end of October, 1997.

[English]

#### **Dankuni Coal Complex**

543. SHRI HANNAN MOLLAH :  
SHRI HARADHAN ROY :

Will the Minister of COAL be pleased to state :

(a) whether the Dankuni Coal Complex (DCC) has been suffering from severe financial crisis;

(b) if so, the details thereof;

(c) whether DCC has huge loan outstanding with Coal India Ltd.;

(d) if so, the details thereof;

(e) whether the bye-products of this unit are not properly marketed;

(f) so, the reasons therefor; and

(g) the steps taken by the Government to strengthen the unit?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) and (b) Dankuni Coal Complex (DCC), a Low Temperature Carbonisation (LTC) plant at Dankuni, West Bengal, has incurred a loss of Rs. 20 crores (provisional) during the financial year (April 97 – October 97).

(c) No, Sir.

(d) Does not arise in view of reply to part (c).

(e) and (f) For proper marketing of bye-products, stockists have been appointed at Bombay and Calcutta. However, due to import liberalisation policy, tar chemicals are facing steep global competition.

(g) The following measures are being taken to improve the economic viability of DCC:—

(i) Dialogue with the Govt. of West Bengal to improve the off-take of gas to Greater Calcutta Gas Supply Corporation (GCGSC) for improved capacity utilisation of the plant as well as to persuade the GCGSC to pay remunerative price of gas.

(ii) To produce value added chemicals like chloroxycenol, chlorophenol, etc.

#### **Indo-Dutch Project of Kanpur**

544. SHRI UTTAMSINGH PAWAR : Will the Minister of FINANCE be pleased to refer to the reply given to USQ No. 492 dated February 25, 1997 and state:

(a) whether agreement with regard to the Indo-Dutch project in Kanpur, U.P. which has already been cleared by the Ministry of Environment and Forests has been signed;

(b) if so, the details thereof;

(c) if not, the reasons for delay; and

(d) the time by which it is likely to be signed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) Yes, Sir.

(b) to (d) A grant agreement for an amount of NLG 51.240 million for the project "Ganga Action Plan Support Project (GAPSP)" has been signed between Govt. of India and Govt. of Netherlands on 23/7/97. The objectives of the project are:

- to reduce the pollution load of the river Ganga;
- to improve the urban environment in the Indian context, thereby improving the living conditions of urban citizens, especially slum dwellers.

The duration of the project is expected to be 4 years from 1st October, 1996 to 1st October, 2000.

[Translation]

#### **Export of Granite**

545. SHRI NARENDRA BUDANIA : Will the Minister of COMMERCE be pleased to state:

(a) whether India has prominent phase in the export of granite in the international market;

(b) whether India is facing stiff competition in this field in the International Market; and

(c) if so, the steps being taken by the Government to boost the export of granite?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH) : (a) and (b) Indian granite exports have increased from Rs. 50 crores in 1985 to Rs. 1065 crore in 1995–96. India's share in the world market is 14%. India is facing stiff competition from countries like Peoples Republic of Korea, Italy, China, South Africa.

(c) In order to boost the export of processed granite, Ministry of Commerce have recently organised a Conference of State Ministers of Mines on development of granite industries and exports in which the problems of granite industry were discussed and suggestions made included grant of 80 HHC benefit to be made available to suppliers of granite blocks to EOUs; ceiling of duty free imports of capital goods be reduced and granite EOUs be permitted to import mining equipments also under the EPCG scheme among others.